

Filed for intro on 02/02/95  
Senate Bill \_\_\_\_\_  
By \_\_\_\_\_

House No. HB0533  
By Williams

AN ACT to amend Tennessee Code Annotated, Title 7, Chapter 56, Part 2 and Title 67, Chapter 6, relative to public rail service.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-103(b)(1), is amended by adding the following new subdivisions:

(b)(1)(C)(i) Provided further, for the purpose of constructing, repairing, rebuilding, replacing and improving the railroad and its bridges and spans belonging to the Cheatham County rail authority, a railroad and authority under Title 7, Chapter 56, Part 2, such funds as may be available, which have been previously allocated and sequestered by the Tennessee department of transportation, as the authority's share or portion of such funds previously allocated to the department of transportation, shall be made immediately available by the department of transportation without any requirement of local matching funds, or any other condition, for the authority's immediate use, for the purpose of constructing, repairing, rebuilding, replacing and improving the authority's railroad, as well as its bridges and spans, as that authority might deem necessary and expedient; and that any previous allocation made by the department in regard to the

authority which was reduced in amount from preceding allocation of the authority's share or portion of allocated funds, shall be immediately restored from the next funds available to the department of transportation, and added to any funds that were sequestered or previously sequestered and released, which funds shall likewise be immediately released for the purposes as enunciated aforesaid.

(ii) Provided further, for the purposes stated in subdivision (b)(1)(C)(i), such funds as may prospectively be made available, which may be allocated to the Tennessee department of transportation as equity funds for railroads of which the Cheatham County rail authority would have previously be entitled to shall in no event be hereafter withheld or sequestered by the department to the authority without diminution of percentage or amount, for the use of the authority for the purposes aforesaid as the authority itself might deem necessary and expedient, as these funds are allocated from transportation equity funds to the department.

(iii) The provisions of subdivision (b)(1)(C) shall not diminish any funds in the transportation equity fund which are or would be available for use by the department of transportation, for aeronautics-related programs and activities, or otherwise.

SECTION 2. Tennessee Code Annotated, Section 7-56-205(b), is amended by redesignating the present subdivision as "(6)(A)" and adding the following new subdivision:

(6)(B) The Cheatham County rail authority is hereby empowered specifically and explicitly to issue its bonds for the purposes of constructing, repairing, rebuilding, replacing and improving its railroad as well as its bridges and spans, and also for otherwise recapitalizing any outstanding legal debt, for such amounts and under such conditions as the directors might deem necessary or expedient for the purposes aforesaid, and the Tennessee department of transportation, as well as other Tennessee departments, shall do all things necessary to assist the authority in the issuance of such bonds, which may be secured by presently allocated and sequestered funds, as well as by future allocations due the authority from transportation equity funds, which bonds may

likewise be secured by any and all authority property, including its railroad, bridges and spans, and that repayment of such bonds from future transportation allocations of equity funds or otherwise, cannot be impaired in any manner, or the security thereof by any act of any subsequent administration.

SECTION 3. Tennessee Code Annotated, Section 7-56-205, is amended by adding a new subsection, as follows:

(\_\_\_\_) Take all appropriate legal action necessary or deemed necessary to carry out the powers expressly given in this part, including but not limited to initiating, defending and maintaining civil actions, engaging counsel and compromising any such actions as said directors of any authority might deem necessary,

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.